THE CASE
FOR THE RECOGNITION
of
THE SPANISH REPUBLIC

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Memorandum

Submitted to

THE PRESIDENT OF THE UNITED STATES

February 26, 1946

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Published by
THE NATION ASSOCIATES
20 Vesey Street
New York 7, N. Y.

MEMORANDUM

Submitted by

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LILLIE BEULTE,

February 26, 1946

20 PESET STREET - NEW YORK 7, N. F

H. E. Harry S. Truman President of the United States The White House Washington, D. C.

Dear Mr. President:

The signatories to this communication submit to you the attached Memorandum requesting action by the United States to end its relations with Franco Spain and to recognize the Spanish Republic.

In presenting this request, we speak for that large segment of American public opinion which believes that the liberation of the Spanish people is the test of our determination to destroy fascism, extend the area of human freedom, and protect the peace.

The compelling factor today is not only justice for the first victims of the war of the Axis against civilization, but the vital interest of self-protection against the possibility of new aggression.

In the documented record which accompanies this letter, there is presented the register of Nazi assets in Spain -- both in economic holdings and specialized personnel, including Gestapo agents and technicians -- and the danger of their use to start a new war. These findings are based on the studies and recommendations of the Enemy Division of the Foreign Economic Administration of the United States.

Since these findings were issued, the General Assembly of the United Nations has voted to bar Franco Spain from membership, and the State Department of the United States has issued a Blue Book which definitely links Franco Spain with Peron's Argentina, in affiliation with the Nazis.

The most recent news that Franco Spain may be replaced by a monarchy is a cause of grave apprehensions. For this would offer a change in name and not in substance. As the record shows, a monarchy will maintain the authoritarian practices which have been the distinguishing feature of the Franco regime.

The American people have no interests that can be served by a monarchy. They have an interest in peace and freedom which can be served best by a Republic, which is the form of government the Spanish people chose for themselves in 1931.

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Our government can and should disassociate itself from this new and dangerous appeasement by breaking with Franco and recognizing the Republic. Such action would be a dynamic affirmation of our position as the leader of the democratic forces of the world.

Respectfully yours,

Raymond Swrag Raymond Swing, Chairman Board, Americans United for World Organization

Freda Kirchwey, President,

Philip Munray, President, Congress of Industrial Organizations

~ Henry

William L. Shirer, Chairman, The Friends of the Spanish Republic

Henry A. Atkinson, Secretary The Church Peace Union Frank P. Graham, Chairman, Advisory Council, The Nation Associates

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INTRODUCTION

On June 19, 1945, at San Francisco, the United Nations unanimously agreed to bar Franco Spain from membership in the World Security Organization on the ground that the regime had been brought into power by the might of the Axis. Implicit in this action was the acknowledgment that Franco Spain was a satellite of the Axis and, as such, an enemy of peace and security. This view was made explicit in the speeches by the principal delegations preliminary to the adoption of this decision.

Mr. James Dunn, representing the American delegation, in announcing approval of the proposal said: "The United States Delegation is in complete accord with the statement of interpretation made by the Delegation of Mexico and desires to associate itself with that declaration."

On August 3, the United States, Great Britain and the Soviet Union, in a declaration issued at Potsdam, confirmed the resolution passed at San Francisco.

On February 9, 1946, the General Assembly of the United Nations in London unanimously confirmed the decisions of San Francisco and of Potsdam and voted to bar Franco Spain from membership in the UNO. Moreover, the resolution adopted declared: "The Assembly, in placing its seal on these two declarations, recommends that the United Nations members take into account their spirit and their letter in conducting their future relations with Spain."

In the nine-month interval which has passed between the declarations of San Francisco, Potsdam and London, no action has been taken by the United States or by the United Nations to give practical meaning to these declarations.

In the intervening period, the United Nations have assisted other countries victimized by the Nazis to restore the governments of their choice, and to begin the task of rehabilitation. Countries like Czechoslovakia, Norway and Denmark, which were conquered by Quislings and were unable to resist, not only have been liberated from the Nazi oppression, but have been welcomed back to the family of nations as members of the United Nations.

Even such satellites of the Axis as Rumania, Hungary and Bulgaria, are being offered assistance in setting up so-called democratic regimes which are being recognized by the United States and the Soviet Union.

In the case alone of Spain, never a neutral, whose Republican forces for three years fought off the Axis, have we failed to act, although it is now part of recorded historical fact that the Franco regime was established by Axis arms; that the war in Spain was a diversionary tactic by Nazi Germany to give it time to prepare for the world conflict, to prevent the rise of a strong popular front government, which would encourage a similar movement in France and work against the policy of appeasement; and that throughout the war Franco Spain was one of the most important arsenals of the Axis, participating also in direct acts of physical aggression against the Soviet Union.

Today, action against Franco Spain can no longer be delayed—not simply as a matter of justice—but because the continuance of the present regime is an imminent threat to international peace and security.

In the following pages we present the record proving that Franco Spain was an enemy of the United Nations throughout the war, and today constitutes a serious menace to freedom, peace and democracy:

- (1) Because it was established through the force of Axis arms, which alone enabled it to overthrow the legitimate Republican government.
- (2) Because throughout the war it served as a satellite of the Axis and was a component part of the Axis alignment for world conquest by military force, by propaganda, and by the institution of Quisling regimes.
- (3) Because since the war's end it has continued its totalitarian practices on the Nazi-Fascist model, with complete suppression of liberties and with terrorism still rampant.
- (4) Because, outside of Argentina, it harbors the largest single concentration of Nazi wealth, machinery, agents and techniques, constituting a threat of new aggression.

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THE RECORD

Republican Spain

In April of 1931, the last stronghold of feudalism in Europe was overthrown by the peaceful revolution in Spain which forced the abdication of the Bourbon dynasty. The Spanish Republic was established and a constitution adopted incorporating all the essential provisions of the League of Nations. It was the only country in the world which incorporated the Charter of the League in its Constitution.

Article 6 of the Spanish Republican Constitution denounced war as an instrument of national policy.

Article 7 provided that "the civilized rules of international law are voluntarily incorporated" into the Constitution of Spain.

Article 65 established that those instrumental agreements ratified by Spain and inscribed in the League of Nations pact, which had the character of international law, "shall be considered part of Spanish legislation." Further, it provided that "Spanish legislation shall adapt itself to whatsoever is determined by the said international agreements."

Immediately following the establishment of the Republic, repeated efforts were made by the military and other elements opposed to democracy to bring about its overthrow. Despite these attempts the Republic survived for nine years.

In February of 1936 a free election produced a moderate popular front government, in which neither the Socialists nor Communists were represented, committed to democracy at home, collaboration with the principal democracies of the West, especially France and Great Britain, and adherence to international commitments. The Cortes, with a membership of 473, had only 15 Communist Deputies. It was not until September, 1936, three months after the Axis war on the Republic began, that a broader coalition was set up by the Republic, including the Socialists and the Communists.

The Nazi War on Republican Spain

On July 18, 1936, civil war broke out in Spain. The signal for the war was given when General Francisco Franco arrived at Tetuan

from the Canary Islands in a Lufthansa plane, placed at his disposal by Hitler. The same plane was dispatched to Germany to plead with Hitler for immediate aid. Aid was forthcoming, both on the part of Adolf Hitler and Benito Mussolini.

On March 9, 1939, after three years of desperate struggle, the legitimate Republican government of Spain was compelled to leave the country, defeated by the might of the arms and armies of Hitler and Mussolini. It was followed into exile by thousands of civilian refugees and the greater part of the Republican Army. While the Spanish government was prevented from obtaining arms through the policy of non-intervention, Germany and Italy were making Spain the testing ground for the world war which followed six months after the defeat of the Republic. One million Spaniards lost their lives in this three-year war.

Germany's assistance to Franco was evaluated by Franco at \$100 million in November of 1943. It included infantry divisions, the assistance of the Luftwaffe, arms, and, more important than either, technical and military advice.

The assistance of Mussolini, begun on July 27, 1936, nine days after the outbreak of the civil war, is evaluated at \$379 million. It included the services of some 100,000 Italians who fought with Franco on Spanish soil, an air force, guns, artillery, motor vehicles, cannon, hombs. These facts were disclosed by the official Italian news agency, Stefani.

That Hitler's dual purpose in assisting Franco was to try out German weapons in actual warfare, and to divert the attention of the civilized world from Germany in order to permit it to rearm, was disclosed in an affidavit dated September 22, 1945, submitted to American Intelligence Officers in Germany by Lt. General Karl Warlimont, Hitler's personal representative at Franco's headquarters in 1936, and later Col. General Alfred Gustav Jodl's Chief of Staff at Hitler's field headquarters. This document was authenticated by the official historian of the German General Staff, Major Helmuth Greiner who helped Warlimont compile the facts.

Hitler's Help to Franco Test of Weapons; Diversion for Rearmament

The New York Times, on November 7, summarizing the 7000-word affidavit of Lt. General Warlimont, reported:

"The first faint German intervention came in mid-July of 1936

when Hitler placed a Deutsche Lufthansa plane at Franco's disposal for the historic flight from the Canary Islands to Tetuan, which was the signal for the revolution. The moment fighting started, Franco dispatched the same plane to Germany to plead with Hitler for immediate aid.

"Franco's delegation consisted of high Spanish officers and two German business men. Hitler received the delegation and acceded to Franco's request for transport planes to fly troops across Gibraltar Strait into Spain.

"Thirty JU-52 transports took off immediately via France and the Pyrenees. This was followed in mid-August by a fighter squadron accompanied by a fleet of transport planes containing ground personnel.

"At the same time Hitler sent warships into Spanish waters.

"On August 25, Warlimont was summoned by Field Marshal Werner von Blomberg, who told him that Hitler had decided that Germany and Italy would give Franco limited armed aid. Marshal von Blomberg outlined Hitler's policy as follows:

"Although German air support would be substantial, German aid on the ground would consist only of armament and sufficient personnel to train Spanish troops in its use.

"On August 26, Warlimont, accompanied by Admiral Canaris, Chief of German Intelligence, flew to Rome, where they met Benito Mussolini and Gen. Mario Roatta. Mussolini agreed to Hitler's program in Spain and promised like aid. Then Warlimont boarded an Italian cruiser and sailed to Tetuan.

"At Tetuan, Warlimont called himself Guido Waltersdorff. A German plane flew him to Seville, where he and Roatta conferred with Gen. Gonzalo Quiepo De Llano. The latter accompanied them to a first meeting with Franco at Caceres.

"Warlimont and Roatta each promised to send three companies of fully equipped troops to fill Franco's deficiencies. In October, the three promised German companies arrived, but Franco was upset when he examined the German light tanks equipped with one machine gun each.

"Meanwhile the Luftwaffe was exerting a big effort in Spain, but Franco continued to demand more aid.

"On November 30, Admiral Canaris arrived at Franco's new headquarters in Salamanca to inform the Generalissimo that Hitler was sending the Condor Legion, comprising 6,000 Luftwaffe men under Field Marshal General Hugo Sperrle. Actually, comments Warlimont, the whole conception of the Condor Legion was Goering's. He wanted to give Luftwaffe recruits battle training.

"Still Franco was fearful of eventual defeat and he demanded greater help. On December 20, 1936, Warlimont and Maj. Gen. Wilheim Faupel, the then German Ambassador to Spain, met in Berlin with Hitler, Goering, Col. Gen. Ludwig Beck and von Blomberg, to discuss the whole matter. Warlimont's report of this meeting is revealing. He writes:

"'Faupel wanted three infantry divisions sent to Spain immediately. I objected on the ground that although the Spanish soldier was quite a good fighter, it would not add to the German troops' morale to fight beside Spaniards. Goering and von Blomberg agreed with me.

"'Hitler expressed fear that it would be impossible to camouflage the identity of 60,000 German troops and also that such action on Germany's part would force France to intervene on the Republican side, with fatal results for the Fascists. Moreover, Hitler added that if they could concentrate the world attention on Spain, it would help Germany. He was not anxious to finish the war quickly. Therefore, Hitler decided not to send three divisions but only to increase the scope of German training of Spanish troops and to send additional war material."

Franco Establishes Totalitarian Regime

On April 1, 1939, General Francisco Franco assumed power. The Republican government was supplanted by a totalitarian regime, allied in concept and program with the Nazis. The Falange became the ruling power of the country. Civil liberties were suppressed, freedom of the press destroyed, and with it freedom of assembly and freedom of organization, as well as freedom of religion, for, contrary to the practices of the Republic, only the Roman Catholic religion was legally recognized.

To establish its authority, the Franco regime instituted a reign of terror carried out by the Falange. By governmental decree the Falange became the sole political party in fascist Spain. Subsidized by the state from the national revenue, possessing its own militia and police force, the Falange was henceforth the principal agency of so-called justice, and the chief and only administrator of social relief. The Falange also became the instrument of Axis propaganda and repression, instructed by Gestapo agents.

In 1943, over a million people were in concentration camps, prisons and labor battalions, subjected to the most brutal oppression. Under the "law of political responsibilities," promulgated by Franco, Spaniards could be legally prosecuted for acts committed even before July 18, 1936. According to this law, any Spaniard who had voted for one of the democratic parties in the general elections of February 1936, was held responsible for contributing indirectly to the

crisis in Spain. It decreed punishment for those who had abstained from supporting or had been indifferent to Franco's regime during the period of the civil war. The only persons not subject to prosecution were sympathizers and those who had served in Franco's army.

Franco Spain's Participation in the Axis War

Six months after Franco's assumption of power, Nazi Germany ended the 6-year period of its so-called bloodless conquest of Europe and inaugurated the period of physical aggression.

On September 1, 1939, it invaded Poland and began the war which presently was to engulf the entire world. During the entire war, Franco Spain was an intimate and essential participant in the Axis program of aggression. Without any formal declaration of war against any member of the United Nations, it was, nonetheless, a direct participant in physical aggression against one of the allies, the Soviet Union, and served as an integral part of the Nazi machinery of war which included, in addition to its armed forces, the vital services of the Fifth Column and the spy network.

In the summer of 1940, after the German occupation of France, Franco seized Tangiers, an international zone.

A year later, in 1941, when Hitler invaded the Soviet Union, Franco organized the Blue Division, which fought with the German armies on Soviet soil against the Russians.

In 1942, Franco prepared to come to the assistance of the Axis in North Africa. He mobilized his armies in Spanish Morocco for that purpose, compelled the Allies to maintain a large force on the border of Spanish Morocco to guard the rear and the essential lines of communication, and constantly harassed them by a war of nerves. The consequent immobilization of large Allied forces had all the effects of actual aggression.

Of even greater importance is the record of Franco Spain's assistance to Nazi Germany in other directions. It helped feed the German armies and it helped arm them. It served as a transmission agent for the instruction of the Nazi High Command in the Mediterranean. It was the training ground for a Nazi Gestapo destined for Latin America.

Germany was the chief beneficiary of Spain's export. In February 1944, the German Review, Die Deutsche Volkswirtschaft, boasted

that 39.2 percent of Spain's exports went to Germany proper, while 30 percent went to German industries in the occupied countries.

In Sevielle, Spanish plants made explosives and other chemical products for the Nazi war machine. In Trubia, in Reinosa, Spanish plants turned out heavy guns and barrels for German artillery. In Valencia, hundreds of thousands of rifle cartridges were manufactured daily for Nazi use. In Barcelona, motors were built for the Luftwaffe and the German U-Boat fleet.

Iron ore, pyrites, lead, zinc, glycerine, nitrogen, ammonia and wolfram, indispensable staples for the Nazi war machine, were constantly supplied by Franco Spain.

Other forms of collaboration with the Nazis took the form of supplying submarine bases at Spanish ports for the repair of German submarines, refueling, rearming, and replenishing their food and water supply. In Galicia and the Basque country were a string of air bases from which the Luftwaffe attacked British and American shipping.

To enable the Nazis to send their instructions to Nazi ships and planes in the Mediterranean, and maintain their contact with Nazi spies in North Africa, Franco Spain permitted them 100 radio stations in different parts of the country.

One of the most important training centers for Nazi spies was established in Spain by the Nazi Storm Troopers. It was Franco Spain which made it possible for Nazism to spread to Latin America. For this purpose it established the Council of Hispanidad, through which it disseminated Nazi propaganda against the United Nations. With the assistance of the Council of Hispanidad, the Axis was enabled to use Spanish ships to send German agents and economic agents to penetrate the Latin American continent.

Through these agents, heavy Axis funds were transferred to Argentina and elsewhere. Through these agents, newspapers, radio stations, agricultural estates, industrial sites and miles of waterfront properties were purchased in Latin America with Nazi funds by Nazi representatives.

The Spanish diplomatic service assisted as a transmission agent for the salting away in Latin America of ten years of Axis plunder.

By its direct and indirect assistance to the Nazi war machine, Franco Spain helped to prolong the war and, with it, to add to the millions of casualties suffered by the Allies. Despite this record and the action at San Francisco, Potsdam and London, the United States, Great Britain, France, and other members of the United Nations continue to maintain diplomatic relations with Franco and offer him the benefit of normal commercial and other facilities accorded to friendly powers.

Is there any justification for this confidence? Has the menace of Franco Spain vanished? To answer that question it is necessary to examine the record of events since June 19, 1945.

The record shows that the Franco regime continues to adhere to its totalitarian practices. Despite its announced amnesties and so-called democratic reforms, thousands of political prisoners still languish in Franco's jails. Their number is variously estimated at from 60,000 to 250,000. Arrests are an every-day occurrence, with the death penalty still imposed for opposition to Franco—usually defined as "Communist incitement." The press is still the prisoner of the Falange.

To work in Franco Spain one must have a certificate of attendance at church.

The record shows, moreover, that Franco Spain is an armed camp, that it is the host to, and the chief protector of, Nazi wealth, Nazi agents, Nazi technical personnel interested in new aggression.

Foreign Economic Administration Warns of Danger of Nazi Entrenchment in Spain

Two months ago, in December 1945, the Enemy Division of the Foreign Economic Administration of the United States warned that if future German aggression is to be prevented, it is essential "to establish control in areas outside of Germany of the war-making powers of Germans, their allies, and their friends." It emphasized that "it may be as essential to prevent Germans in country X from making bombs as to prevent them from so doing in Germany." It underscored the fact that in all the German attacks since 1900, the Germans abroad and the assets they controlled have been of vital assistance to the homeland.

The possibilities of future aggression by Germany, the report said, lie in economic penetration of other countries and in German personnel abroad, which it described as "one of Germany's most intangible and at the same time valuable assets."

The FEA report places Spain at the head of the list as a country in which Nazi Germany has captured an important economic foothold. "And no country," it adds, "is so dependent on German personnel as Spain."

"To prevent aggression," says the FEA, "the control over all important German-owned or controlled industrial, commercial, and financial assets located outside Germany must be wrested from the nation and its nationals regardless of when acquired and regardless of pro-Nazi or anti-Nazi sympathies of the holder. The future use or disposition of all German assets outside Germany must be conditioned by the interests of international security. This is a policy dictated by practical necessity. No other can be adopted without a full recognition of the dangers involved."

Warning that economic penetration usually precedes political influence, the FEA emphasizes the importance of the German entrenchment in Spain. In Spain today, the report points out, "chemical, pharmaceutical, and electrical goods industries are largely in the hands of German companies, whose plants are readily adaptable for use in experiments which could be the basis of a new war industry."

The economic occupation of Spain by the Nazis, according to the report, has been accomplished through long-term foreign investments, banks, reinsurance agreements and patents. "Through reinsurance agreements, mostly of recent origin, neutral insurance companies have been tied to German capital and forced to accept German dictation; in addition, German insurance companies operate directly in the neutrals thereby creating large fluid assets. In Spain alone, there are ten registered German insurance companies receiving premiums of almost \$3 million a year."

Declaring that I. G. Farben holds a prominent position owing to its patents, the report indicates how this works. It says: "The Spanish chemical producer, Sociedad Electro-Quimica de Flix, is controlled by I. G. Farben and uses the latter's manufacturing processes. When transportation facilities between Germany and Spain were cut off by the occupation of France, I. G. Farben permitted its subsidiary in Spain, Unicolor S. A. to produce several patented products."

By this wedding of capital and technical skill, points out the report, "I. G. Farben has become the most powerful chemical pro-

ducer in the world and a tower of strength to the German war effort." Through their patents the Germans have acquired assets in foreign countries in the form of royalties which very often are retained as a balance with the licensee. Thus, it says, the Spanish branch of Schering, A.G., carried an account receivable of \$300,000 for license fees alone.

Another fashion in which Nazi Germany has acquired a foothold in Franco Spain has been through the indebtedness incurred during the period of its assistance to Franco. In this connection, the report says:

"During the Civil War in Spain, Nazi Germany actively aided the Franco party by lending technical assistance and sending the so-called 'Condor Division'. In this way Germany was able to test its new weapons in actual warfare. But Germany exacted payment from Fascist Spain and the latter reciprocated German military aid by sending the 'Blue Division' to fight against Russia. A balancing of financial accounts showed that Spain was heavily indebted to Germany for civil-war aid. In November 1943, an agreement was reached wherein Spain admitted a debt of about \$100 million. Several payments which were made, outside the clearings, made available to Germany at least \$60 million in free credits in Spain. In July 1944, the Spaniards still owed a balance of about \$40 million. Exactly how the Germans disposed of the \$60 million is not known, but it seems probable that they used it to purchase Spanish property, to finance propaganda activities, to pay for goods, and to sustain the diplomatic service."

Nazi Holdings Approximate \$200,000,000

An earlier report issued by the FEA on August 6, 1945, estimated that Nazi holdings in Spain, open and cloaked, are between \$100 million and \$200 million. Since 1933, when Hitler came to power, Nazi holdings in Spain have increased considerably, an important acquisition being a large interest in the production and marketing of food stuffs, iron and ferrol alloys. The report listed two Germanowned banks and ten German insurance companies with a Spanish director general and with total assets amounting to about \$7 million. It charged that I. G. Farben controlled the Spanish chemical and pharmaceutical industry. According to the report, "it controls a number of Spanish firms directly or through Unicolor S. A. I. G. Farben owns 51 percent of the stock in Sociedad Electro-Quimica de Flix which is capitalized at 6.0 million pesetas. The manufacturing

processes of this company are held under license from I. G. Farben, and a number of Germans are employed in the firm although the management is mainly in the hands of Spaniards. Quimica Commercial y Farmaceutica, S. A., a subsidiary of I. G. Farben, capitalized at 3 million pesetas, distributes Bayer medical products in Spain. Unicolor S. A., which is practically owned by I. G. Farben is capitalized at 3.6 million pesetas. It represents 16 German firms and has interlocking directorates with several large Spanish chemical companies. Through stock participation, Unicolor has large interests in other companies. Another firm, Union Quimica del Norte de Espana, with a subscribed capital of 60 million pesetas, operates under patents licensed by I. G. Farben."

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German Personnel Dominates Spanish Industry

Underscoring the important factor of German personnel, the FEA, in its December report, says:

"German personnel abroad represents one of Germany's most intangible and, at the same time, most valuable assets. While title can be taken to tangible property, the technological, financial, or political experience assembled in the human brain evades control measures. It is entirely feasible for a skilled expert to go into hiding with his knowledge and to resume his activities at a later moment. Investigations conducted in this country at the time of seizure of Axis enterprises have shown the remarkable degree of technological cooperation between German employees of I. G. Farben in various countries. So great a part of engineering, chemical, and other industrial work is based on the cumulative experience of individuals that control over tangible property can never be more than one part of the entire control system."

No country is so dependent on German personnel as Spain since there are few Spanish technical engineers capable of directing the installation and operation of industrial machinery, says the FEA.

"German technicians know Spanish trade secrets and in many cases control the policies of various companies. Notwithstanding a Spanish law limiting the employment of foreigners, German personnel continues to be firmly entrenched in Spanish industry. Most of the equipment recently purchased by Spain has come from Germany. Naturally, German technicians supervised its installation and often remained as technical managers. But technicians are not the only Germans in Spain; managerial and ad-

ministrative personnel abound. One has only to glance at a list of the directors of Spanish companies to realize the influential position of Germans, a large number of whom are fervent Nazis."

Spain, says the report, has the largest number of German technicians, manufacturers, and administrators. A German shipping agent in Bilbao, Spain, sent reports on the movements of British shipping to Berlin for use in submarine warfare and even sent supplies to Germans besieged in the French ports. German technicians and other personnel have acted as Gestapo or military intelligence agents, keeping Germans resident abroad in line with Nazi doctrines.

The importance of nationals of German origin to the German war potential cannot be overstressed, according to the FEA. In this connection it says that in Spain, the Lipperheide family, naturalized Spaniards of German origin, control large mineral interests totaling millions of dollars, and throughout the war supplied Germany with essential ores and financial assistance.

In its August report the FEA described the Lipperheide firm in the following terms:

"The most influential German firm in Spain dealing with minerals and metals is Lipperheide and Guzman S. A. (now known as Industrias Reunidas Minero Metalurgicas S. A.) whose widespread holdings include mines, smelters, and transportation facilities. In 1942 the capital of this firm was increased from 2 million pesetas to 20 million pesetas. Lipperheide and Guzman own an interest in or are closely allied with ten mineral and chemical companies in Spain and control assets of about \$20 million."

The fears expressed by the FEA are confirmed by diplomatic observers and newspaper correspondents in Spain.

Spain an Armed Camp

Franco Spain today is an armed camp.

On December 22, 1945, Norman Armour, former American Ambassador at Madrid, declared on his return to the United States from Spain, that Franco maintains a standing army of between 600,000 and 700,000.

A week later, on December 29, the Spanish Cortes approved the 1946 budget which allocated approximately fifty percent of the state expenditures to the armed services and the police force.

Four months earlier the Franco government revived by official decree the institution known as "Somatenes." This is an armed civilian army operating only in localities of 10,000 population or less, with the power to make arrests. Under the decree authorizing the formation of the group, it was given financial autonomy, its members were authorized to carry arms, and could be distinguished by a badge and an identification card.

On October 26, Paul P. Kennedy, in a dispatch from Madrid to the New York *Times*, pointed out that "the Somatenes would provide an ideal niche for the Falange military arm should the organization ostensibly be disbanded. Under the provisions of the decree the Falange military, well trained and equipped, could easily discard the uniform and move effortlessly into a vigilante corps pursuing the almost identical course that it now does."

Nazi Schools Flourish

Despite the opposition of the United Nations, the Spanish government has authorized the reopening of approximately 30 German schools attended by some 10,000 children of the most prominent Spanish families. According to the United Nations, the German schools in Spain were an integral part of the Nazi propaganda machine working directly under Goebbels, financed by the German government, with its teachers members of the Nazi Party.

Paul P. Kennedy reported that the Nazi government had placed at least two representatives among the directors of each school, one the local head of the Nazi Party and the other the ranking Nazi diplomatic official. The curriculum in the higher grades was solely Nazi, with all the party trappings including salutes, swastikas and pictures of Adolf Hitler.

On December 24, 1945, Joaquin Garcia, in an article in the New Republic, stated that while some of the schools have changed their names or locations, and half the instruction is now in Spanish, the classes are taught by the same teachers, reinforced by numerous intelligence agents, and in the elementary grades, by some 40 of the 200 or 300 Blitzmaedel (German counterpart of the American WACs), who crossed into Spain from France when the Maquis cut off their return to Germany in 1944.

On December 22, Ambassador Armour stated that one of the major problems still confronting the American and British Embassies is the repatriation of some 9,000 to 15,000 German nationals who were in Spain on V.E. Day.

On September 8, Paul P. Kennedy, in a dispatch to the New York Times from Madrid, said: "The situation of Nazi diplomats, agents, spies and terrorists in Spain seems to be shaping up into a first-rate farce. The United Nations authorities have filed with the Spanish government the names of 300 Nazi espionage agents whom they wish to have removed from Spain. This list is not complete either as to espionage agents, actual diplomats, many of whom proved to be spies, known Gestapo agents, many of whom have records here as terrorists. Of the 300," Mr. Kennedy reported, "some 50 are interned at Caldas de Malavella, summer resort on the Mediterranean, 25 or 30 have been ordered to intern themselves voluntarily at such favorite resort places as Toja and Foisegovia. United Nations authorities were informed that the procedure was for the Spanish police to notify the Nazis to report to a certain place, probably of their own choosing, without escort. In some cases the Nazis never reported. Others reported but left almost immediately."

Mr. Kennedy further declared:

"Hans Lazar, former Nazi press attache, whose power at one time was such that he could have Germans of Ambassadorial rank removed from the Peninsula and who hired and discharged editors of Spanish newspapers, now is entertaining on his former scale at his beautiful home here. The extent of his fear of immediate removal to Germany may be gauged by the fact that he is building a tiled swimming pool on his estate.

"Dr. Karl Albrecht, president and director of the Spanish subsidiary of the powerful German electrical corporation, AEG, not only is at liberty but remains active in control of his business and openly against the United Nations.

"Also active is Maj. Gen. Eckart Krahmer, German air attache, who, on being asked whether he feared United Nations action, was heard to reply, 'To Hell with the United Nations; I will be a Russian general before they succeed in getting me out of here.'

"Anton Paukner, Nazi specialist in ships, who at least has tried to cooperate with the Allies, is living at San Rafael, mountain resort near Madrid. Dr. Karl Schroeder, outstanding Nazi intellectual and educator, is at Malaga. Kurt Meyer-Doehner, Nazi naval attache, who during the war never missed an opportunity

to gibe the United Nations on their 'stupidity', is still doing so at complete liberty, as is Hans Doerr, Military attache.

"Sigismund von Bibra, counselor of the former German Embassy and Charge d'Affaires, has returned to his home in Madrid preparatory to the autumn social season.

"These are only a few of the Nazi personages in Spain. In addition, there are scores of Nazi technicians and scientists who have filtered into Spanish airways, railways, laboratories and industries.

"United Nations authorities here contend that the presence of these men in Spain constitutes a nucleus for Nazi reorganization. There are unverified but strong reports that unemployed Nazis are drawing monthly sustenance allowances from party funds. Moreover, the Nazis are more or less openly intimidating anti-Nazi Germans."

As late as February 9, 1946, the Spanish authorities were still helping the high Nazi personnel, including a number of those mentioned above, from being deported to Germany.

On September 25, the General Union of Spanish Workers, in a report to the World Trade Union Conference in Paris, declared:

"Franco Spain is a remnant of European fascists who are plotting conspiracies in Europe and through the fascist regimes of Portugal and Argentina in Latin America."

The report charges:

- (1) That a powerful German Nazi Party exists in Franco Spain, supported by the Spanish Falange.
- (2) That Spanish shippards are working all-out on construction of war ships.

On October 14, the London Times reported that large sums of Nazi money remained hidden in Franco Spain and that Nazis, forewarned of the freezing of German assets, received,in advance, salaries ranging from six months to a year. The paper estimated that the Germans had \$5,100,000 and a ton of gold in coins and other assets. This does not, however, take into account hidden assets invested in industries of all kinds which are cloaked with Spanish titles.

On October 18, in a dispatch from London to the New York Post, Jon Kimche charged, following a visit to Spain, that German industry in Spain, backed by money, technicians and business experts, is closely linked with practically every phase of Spanish economy.

"Progress in unearthing these German assets has been slow and much obstructed by German camouflage and reluctance on the part of the Spanish authorities. Inquiries by the Allied embassies about German firms are often unanswered for months while the process of covering the German tracks continues.

"Virtually no assets which should go to the reparations pool have been taken over by the Allies. A number of obvious German concerns such as banks, news agencies and shipping companies have been taken over from the Germans by Spanish government controllers. But the Germans continue in charge and the Allies have no real say. Even in these businesses it is clear that real German assets have been salted away elsewhere.

"German technicians and business experts were sent to Spain to become naturalized citizens and a great many married into the Spanish aristocracy and commercial elite. German businesses were turned into Spanish concerns with Spanish directors while the German brains occupied apparently minor—but in reality all-powerful—positions.

"The board of directors of Unicolor, which is the Spanish branch of the I. G. Farben trust, is typical. Unicolor is now a Spanish firm which according to Spanish law cannot be touched by the Allies, yet the board includes Ernst Asselman, Ernst von Steindorf, Dr. Steinhaeuser, Erich Ochs, Alfonso Ma Gallardo, Walter Fischbach, Juan Santiagosa, Ernst Fischer, Erich Fischer, Gustav Zabel, Josef Mayer-Spiess, Jose Ma Planella, Salvador Mayoles, Juan S. Pittier, Felix Kotegen, Tomas Casanovas and Juan Llorens.

"The president is a Spaniard, and so is the vice president. But the brains behind the organization occupies a minor secretarial position. He is Herr Ferdinand Birk-Crecelius.

"There are a great many mining concerns and others that appear to have no economic justification. Allied investigators are certain that they were set up to make sure of the German grip on the country even if Franco was replaced by another regime.

"Now, however, the existence of the German industrial octopus depends on keeping the Franco regime in office.

"Allied officials in Spain are convinced that German interests in Spain continue to receive strong protection from the Spanish authorities.

"German interests are concentrated over the entire Spanish economy but mainly in insurance, chemicals, fertilizers, engineering and electrical trades.

"It is estimated that there are \$40,000,000 worth of traceable German cash assets in Spain and \$100,000,000 to \$120,000,000 hidden away, while most of the assets of the big companies have been camouflaged and will require months to unearth.

"If the Spanish authorities take over these firms and run them with German technical assistance, they might provide future German industry with a powerful nucleus."

On December 24, 1945, Joaquin Garcia, in a feature article in the New Republic, stated:

- (1) That there are between 50,000 and 80,000 Germans in Spain.
- (2) That there are some 6,000 German scientists and technicians engaged in research, some currently concerned with super jet-propelled planes and atomic energy.
- (3) That there are 3,000 espionage and sabotage agents, many of them officers of the Wehrmacht, who are unrestricted.
- (4) That there are 1,200 sailors and customs guards living as de luxe internees.

Declaring that the protection by Spanish officials of German agents has been achieved primarily through the obvious but effective use of delaying tactics, Mr. Garcia alleges that as late as March and April of 1945, some 200 members of the Sicherheitsdienst, fluent in the use of Spanish and provided with bogus Spanish identity papers, were flown into Spain where they now pass as Spanish citizens.

Chief espionage and sabotage agent, according to Mr. Garcia, was Gustav Lenz, a captain in the German army and an officer in the Sicherheitsdienst. "Long-time head of espionage and sabotage, his network extended into every Spanish village, every Spanish regiment. One important Lenz group which included thousands of Germans and tens of thousands of Spaniards was generally called the Camisas Cruzadas, or Crusade Shirts, and at its peak numbered more than 70,000 commissioned and non-commissioned army officers, members of the secret police, postal inspectors and immigration officials. Before the end of the war millions of pesetas were turned over to its key agents and assistants."

Discussing German control of Spanish industry, Mr. Garcia states:

"Radiating out from Barcelona, and secondarily from the Basque iron and shipbuilding center of Bilbao, are the banking, insurance and industrial enterprises over which the Germans have established, and maintain, financial and technical domination. These industries include the manufacture of armament, mechanical and electrical equipment, dyes, chemicals and shipbuilding, all significant in terms of a possible future war. To date, the efforts of Anglo-American 'Safehaven' economic specialists to establish any type of Allied control or supervision over these industries have been spectacularly unsuccessful."

"Today, throughout Spain, Spanish Morocco, the Balearic and the Canary Islands, German funds and German-owned companies are cloaked by Franquist and Monarchist firms and individuals. The extent of this cloaking may be gauged by the fact that, although more than 90 percent of the German assets and flight capital in Spain is centered in Barcelona, Bilbao and Sevilla, in the city of Tangier alone during the final months of the war upwards of 800 firms suspected as cloaks were registered with the Mixed Tribunal. Typical instances of cloaking are found in the reorganization of the German-owned shipbuilding company, Transcomar, into the dummy Spanish corporation, Compania Naviera Bachi, and in the financial arrangements of Jose Lipperheide, German representative of the German Office for Compensation from Spain.

"Another device for facilitating flight assets was the 'sale' to Spanish firms of thousands of tons of valuable machinery stripped from German factories and rushed to Switzerland for storage after the successful Allied landings in France. The Transfer of German patents to Spanish firms, a means of enabling such companies as Daimler-Benz, Krupp, Messerschmitt, Heinkel and Dornier Aircraft to continue their research and engage in production in Spain at the earliest moment, has also been widely employed. By the 'reinsurance racket' and by banking manipulations, additional millions of marks have escaped into Spain, and frequently via Spain into Latin America. Other millions in the form of large-denomination peseta notes (a considerable part of the 270 million pesetas which, according to March, 1945, estimates, remained unpaid on the Spanish civil-war debt), which had been kept out of circulation to prevent further inflation of Spanish currency, were flown from Germany to Spain."

The Monarchy as a Substitute for Franco

The newest maneuver to maintain the authoritarian regime in Spain in a form which might be acceptable to the United Nations, or at least to some of the Western democracies, is to substitute a monarchy for the Franco dictatorship. This maneuver is being ar ranged by the forces which put Franco into power, the Junta of army generals, and important elements among the forces which have maintained him in power, the landowners and the clericals.

Anxious to resume normal relations with the United Nations and eventually to find a place in the UNO, these forces are prepared to sacrifice Franco. They do not propose, however, to change in its essentials the authoritarian character of the present regime.

Despite the pledges of Don Juan, the Pretender to the throne, the intention is to establish a corporate state, bar genuine democracy and universal suffrage.

The monarchist movement was accelerated after March 22, 1945 when Don Juan called upon Franco to give up his powers and pave the way for the immediate restoration of the throne.

On July 17, a month after Spain had been barred from the United Nations, Franco announced that he would eventually restore the traditional monarchy. In the fall of 1945 extensive negotiations began between Don Juan and representatives of Franco.

That this action may have the approval of at least one of the big powers is indicated by the fact that Great Britain, which has consistently been cool to the efforts of Spanish Republicans to restore the Republic, on February 1, admitted Don Juan, flown by a British plane to London. The ostensible reason for the visit was to meet his secretary. This at a time when Spanish Republicans are consistently denied even transit visas through Great Britain.

Despite his recent denunciations of the Falange, Franco and the Axis, there is nothing in Don Juan's personal record, the record of the Bourbon dynasty, or of the monarchists as a whole, to support any hope of a true democratic orientation.

Don Juan himself, until it became obvious that the Axis would be defeated, was an adherent of Franco and the Axis. On July 31, 1936, two weeks after the start of the war on the Republic, he attempted to cross the French-Spanish border to join Franco's forces. On December 6, 1936, Don Juan, recognizing Franco as "Chief of State," offered to serve in the Spanish Navy. On neither occasion was Franco ready for the return of the Pretender.

The authority for this statement is no other than the official biography of Don Juan written by Francisco Bonmati de Codecido, the Pretender's intimate friend and former secretary, and published by the monarchists in 1938. The book reproduces a photograph of Don Juan, wearing the Falange emblem.

Describing a conversation in the lobby of the Hotel Excelsior-Galia in Milan with former King Alfonso, Don Juan, a Falangist writer, Gonzalez Ruano, and the biographer, the book tells how Ruano showed the King his membership card in the Falange: "Number 5," he says proudly. Alfonso remarks contemptuously "I'm 500 ahead of you. The first Falangists in Spain were General Primo de Rivera and I." "The first," agrees Don Juan.

Don Juan was consumed with anxiety lest the Franco revolution against the Republic fail to come off, continues the biographer. One day he burst out: "Could it be possible that the certainty of the military uprising exists only in my imagination?"

When, on July 17, 1936, the revolution against the Republic finally started, "he began to hear the first faint heart beats of his true Spain," says Don Juan's biographer. Immediately he asked for permission to join Franco's army. "July 20, 21, 22, 23... Don Juan neither sleeps, nor lives nor rests for a single moment. On July 31, he crossed the border into the rebel zone, dressed in overalls with a red beret and the emblem of the Falange, the arrows."

Six months later from the Hotel Eden in Rome, on December 7, 1936, he pleaded with Franco to accept him as an officer or a simple sailor on the rebel ship Baleares. "I do not know, my General, whether in writing in this manner, I am violating protocol . . . But all my hopes are with you and all my prayers are that God aid you in your noble undertaking to save Spain."

Further underscoring Don Juan's support of fascism, his biographer says: "In Italy, Don Juan met his three great loves: Catholicism, fascism and monarchy." An enthusiastic admirer of Mussolini, he exclaimed one day while passing Mussolini's palace: "I can't pass here without remembering Spain. What wouldn't I give for my country to achieve this reality of empire, full of youthful, conquering elan!"

What the true intentions of the monarchist forces backing Don Juan are is revealed by the following:

Subsequent to the March manifesto of the Pretender, Antonio Goicoechea, leader of the monarchist forces during the Republic, and at present head of the Bank of Spain, wrote to Don Juan to explain that he could not support the manifesto because he believed destroying the unity of the forces which encompassed the overthrow of the Republic in 1939 would be fatal to all these forces.

On April 11, 1945, the Marquis de Luca de Tena, a member of the A.B.C. publishing family (who has been flying back and forth between Spain and the Pretender's residence during recent weeks) answered this communication as follows:

"I am pained, less by your disagreement with the King's authentic manifesto, than by the contribution of your juridical and political authority to the falsification being given to that document by attributing to it intentions of pure democracy and universal suffrage, which no one of even mediocre political education can find in the royal words."

A mimeographed bulletin published by the monarchists further disclaimed any intention on the part of the monarchists to institute democracy. One of these bulletins declares:

"When the King's manifesto speaks of a legislative assembly, it refers to one elected by the nation—a reference to the natural organs: family, municipality, corporation, and not to the sovereignty of the masses, which always ends in irremediable communism!"

On October 15, 1945, PM carried an article by a man, just returned from Spain, whose name it withheld for security reasons. The article reported an interview with a "key man in the monarchist set up in Madrid with an honorable record in the Spanish diplomatic service, openly wearing the monarchist emblem in his lapel." This monarchist leader, as reported in PM, described the fashion in which it is proposed to dismiss Franco, enthrone Don Juan, and the kind of government which would follow.

Said the monarchist leader: "Franco will have to go sooner or later. Franco received his powers from the Junta of generals. He has abused those powers, therefore he must return them to the Junta. The Junta then will call in Don Juan to take the throne that is rightfully his."

Asked about elections which had been promised by Don Juan in his March, 1945 manifesto, the monarchist replied: "Elections, but not too quickly. The Spanish people are not like you. They are excitable and they must have time to calm down. But the King has promised elections and after some months Don Juan's advisers will draft a constitution which will be submitted to the vote of the people."

Spaniards, however, will not have an opportunity to decide whether they want a King, according to the monarchist spokesman. "The King is permanent and cannot change. If Spain is to survive, it must have one stable institution. The King is, and cannot be voted in and out like constitutions. The people can decide on the government they want—under the King!"

A corporative Parliament is the institution which the King will provide for Spain. Said the monarchist leader: "Of course there will be a parliament. The constitution that will be submitted to the Spanish people will provide for the type of parliament most

suited to the Spanish temperament. It will be on the corporative model."

Asked whether he meant by that that the Spanish people will be represented not by legislators elected by direct vote, but by legislators elected to represent trades, industrial groups, professions, the Church and the Army, the answer was in the affirmative: "The details have not been worked out, but that is the general corporative scheme. It is not what you have in America, but you must realize that Spain is not America. Our people are not ready for your sort of democracy. In countries like Spain one must have a government 'for the people', yes, but not necessarily 'of the people'. Not yet."

Asked whether there is any conflict between the statements made by him and the manifesto issued by Don Juan, the monarchist answered: "Certainly, Don Juan has promised a popular vote on the constitution, but not a plebiscite on the monarchy. He has promised a legislative assembly 'elected by the nation', not by mass voting."

This, then, is the new "freedom" awaiting the Spanish people under Don Juan. According to the diplomatic correspondent of the London Evening News, on February 7, 1946, the restoration of the Spanish monarchy may take place within two weeks.

CONCLUSION

In the light of the record we request the American government to take the initiative to end the Franco regime on the score that it threatens peace and security, and to help restore the Republic as the legitimate government of the Spanish people.

As a preliminary to such action we ask that there be official and public acknowledgment that Franco Spain is an enemy of the United Nations, and that this be followed by:

- (1) The withdrawal of American recognition of Franco Spain.
- (2) The announcement that we recognize the Spanish Republic as the legitimate government of the Spanish people.

To give practical effect to this new policy, that the United States enter into contact with the Spanish Republican Government-in-Exile and other democratic groups opposed to Franco, with a view to recognizing a Provisional Republican Government, representative of all the democratic parties capable of establishing and maintaining the Spanish Republic on a solid foundation.

We ask for the people of Spain no more than the help accorded to other countries victimized by the Nazis. Neither in the case of Czechoslovakia—nor Norway—nor Denmark—did we expect the population, by its own effort, to throw off the Nazi yoke. No less than these lands is Spain a country conquered by the Nazis and held in submission by the force of arms.

Today, it is commonly acknowledged that Hitler's war on the world began on January 30, 1933, when he assumed office, and that the six years between 1933 and 1939 were the preparation for the invasion of September 1, 1939. In this first half of the Nazi war on the world, half of Europe was conquered bloodlessly through propaganda, espionage, Quislings and the threat of armed might.

Spain was the first victim of Nazi aggression. Thus, the liberation of the Spanish people, already too long delayed, is an inescapable act of justice. It was they who fought the first battle against Nazism and lost a million people in the struggle. Despite the oppression of Franco and the Falange, they have never ceased to struggle for freedom, a fact which is attested to by the thousands of Spanish Republicans still languishing in Franco's jails—seven years after the end of the civil war.

In all countries where they were to be found, moreover, Spanish Republicans were an integral part of the Allied war effort. In France, throughout the years of occupation, Spanish Republican exiles were a formidable arm of the French underground. Their role with the French Maquis in the liberation of France provides one of the most striking records of heroism the war has produced.

Action to depose Franco without restoring the Republic will be acceptable neither to the Spanish people nor to freedom-loving people everywhere. These demand the restoration of the Republic on the score that this was the form of government chosen by the Spanish people in 1931, and because such a government, pledged by its constitution and proved by its acts, is the only assurance that Spain will be a contributing factor to peace—and not to war.

In March of 1944, President Roosevelt, in his letter to Norman Armour, newly appointed American Ambassador to Spain, promised: "Our victory over Germany will carry with it the extermination of Nazism and similar ideologies."

Until Republican Spain is restored, this pledge will remain unfulfilled. Until it is fulfilled, there can be no peace and no security!